

FISCAL NOTE

SB 3020 - HB 2825

February 21, 2004

SUMMARY OF BILL: Enacts the *Private Process Servers Regulatory Act* which makes it a Class C misdemeanor offense for any individual to serve process within Tennessee unless the individual is a licensed process server or is employed as a certified law enforcement officer, and:

- Requires the Secretary of State to establish qualifications to be process servers, to issue licenses and badges, and to promulgate rules for the implementation and enforcement of the licensure provisions of the Act.
- Provides that the Secretary of State shall charge an initial application fee of no greater than \$200 and an annual renewal fee no greater than \$100 for the purpose of implementing and enforcing the licensure provisions, and for the cost of the licenses and badges.
- Makes it a Class C misdemeanor for any public utility to knowingly refuse to assist any officer or licensed process server by refusing to make current addresses or forwarding addresses available of customers who may have changed addresses.
- Provides that any civil warrant, garnishment, attachment or any other process used in any action of the General Sessions Court, except those issued to levy personal property being attached for sale, shall be served only by licensed process servers or certified law enforcement officers.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$570,000 One-Time

\$844,000 Recurring

Increase State Revenues - Exceeds \$100,000

Increase Local Govt. Expenditures - Not Significant

Increase Local Govt. Revenues - Not Significant

Estimate based on the following assumptions:

- Under present law, the Secretary of State has no regulatory or enforcement authority relative to the professions. Enactment of the bill would require the creation of a new regulatory and enforcement infrastructure within the Office of the Secretary of State. The Secretary of State would be required to establish licensure qualifications, review license applications, issue and monitor licenses, and enforce licensure requirements affecting all 95 counties of the state. In order to carry out the requirements of the bill, both professional and support staff would be required in the Secretary of State's Office. A computer database and web application would also need to be developed to maintain licensure records and to provide licensure information to interested parties.
- The cost of implementing the bill would be offset by any fees authorized by the bill and collected by the State Department; however, it is estimated that the cost of implementation would significantly exceed any revenue generated by the program.
- There is currently no limitation on the service of process to professional process servers and any adult (over 18) can currently serve process under Rule 4 of the Rules of Civil Procedure. Therefore, the number of individuals who would actually seek to become licensed process servers in Tennessee cannot be determined.
- Current law appears to require a background check for certain process servers at the county level and authorizes a fee of \$100 specifically for the cost of such a check. If such a background check were included in the qualification process for all process servers, it is anticipated that the amount of revenue from the initial application fee of \$200 available to offset other costs would be reduced by 50% to \$100.
- In addition, the impact depends upon the number of persons convicted of this offense and the resulting increased cost to local governments to confine such persons versus the increased revenues to local governments from fines levied and collected under the provisions of this bill.

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Details of this estimate are shown below:

Personnel Costs:

Seven positions and Benefits \$536,700

Operational Costs:

Copier 3,600

Supplies 1,000

Training 4,000

Phones 8,100

Computers:

Hardware 70,607 One-Time

Software 462,110 One-Time

Web/Internet 37,200 One-Time

Maintenance 218,200

Rent 72,000

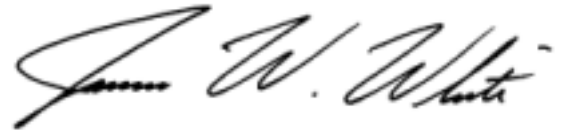
Total \$1,413,517

\$569,917 One-Time

\$843,600 Recurring

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director